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@ BELLSOUTH

BellSouth Telecommunications, Inc. Legal Department

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November 15, 2005

Mr. Charles Terreni Chief Clerk of the Commission Public Service Commission of South Carolina Post Office Drawer 11649 Columbia, South Carolina 29211

Re: Petition to Establish Generic Docket to Consider Amendments to Interconnection

Agreements Resulting From Changes of Law

Docket No.: 2004-316-C

Dear Mr. Terreni:

Enclosed for filing are the original and ten copies of BellSouth Telecommunications, Inc.'s Motion to Admit Deposition Into Record in the above-referenced matter.

By copy of this letter, I am serving all parties of record with a copy of this document as indicated on the attached Certificate of Service.

Sincerely,

Patrick W. Turner

PWT/nml Enclosure

cc: All Parties of Record

PC Docs #610297

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

In Re:)	Docket No. 2004-316-C
Petition to Establish Generic Docket to)	
Consider Amendments to Interconnection)	
Agreements Resulting From Changes of Law)	
)	

BELLSOUTH TELECOMMUNICATIONS, INC.'S MOTION TO ADMIT DEPOSITION INTO RECORD

For the reasons set forth below, BellSouth Telecommunications, Inc. ("BellSouth") respectfully requests the Public Service Commission of South Carolina ("the Commission") to enter an Order admitting the deposition testimony of CompSouth witness Mr. Joseph Gillan into the record in the above-referenced matter.

Counsel for BellSouth has consulted with the parties of record via email regarding BellSouth's intention to move the Commission for the admission of Mr. Gillan's deposition. To date, CompSouth has confirmed that it has no objection to the admission of Mr. Gillan's deposition into the record of this proceeding and BellSouth is unaware of and has received no objection from any party of record regarding this motion. Additionally, the deposition of Mr. Gillan has been entered into the record in the "Change of Law" proceedings in other states without objection.

"Attachment A" to this motion is a copy of Mr. Gillan's deposition.

WHEREFORE, based upon the foregoing, BellSouth would respectfully request that the Commission order that the deposition testimony of Mr. Joseph Gillan be entered into the record of this proceeding.

Respectfully submitted,

Patrick W. Turner

1600 Williams Street, Suite 5200

Columbia, South Carolina 29201

(803) 401-2900

BELLSOUTH TELECOMMUNICATIONS, INC.

November 15, 2005 610273

ATTACHMENT A

BEFORE THE

ALABAMA PUBLIC SERVICE COMMISSION

In Re:

Petition to Establish

Generic Docket to Consider

Amendments to

Docket No. 29543

Interconnection Agreements

Resulting from Changes of

Law

DEPOSITION OF

JOSEPH GILLAN

2:00 p.m.

August 16, 2005

Conference Room 415
675 West Peachtree Street
Atlanta, Georgia

Blanche J. Harris, CCR No. B-2290

Page 2	Page 4
1 APPEARANCES OF COUNSEL	1 APPEARANCES OF COUNSEL (Continued)
2 3 On behalf of BellSouth:	2 3 Also Present By Phone:
4 MEREDITH E. MAYS, Attorney at Law and	4
5 R. DOUGLAS LACKEY, Esquire	5 Lynn Barclay
6 BellSouth Telecommunications, Inc.	6 Donna McNolty
7 Suite 4300	7 Ann Marsh
8 675 West Peachtree Street	8 Michael Barrett
9 Atlanta, Georgia 30375-0001	9 Ken Woods 10 Adam Titan
10 (404)335-0747 11 (404)614-4054 (facsimile)	11 Teri Romine
12 meredith.mays@bellsouth.com	12 Douglas Lackey
13	13 Collette Davis
14 On behalf of Covad:	14
15 CHARLES E. (GENE) WATKINS, Esquire	15
16 Covad Communications	16
17 Suite 1900	17
18 1230 Peachtree Street, NE 19 Atlanta, Georgia 30309	18
19 Atlanta, Georgia 30309 20 (404)942-3492	20
21 (404)942-3495 (facsimile)	21
22 gwatkins@covad.com	22
23	23
24	24
25	25
Page 3	Page 5
1 APPEARANCES OF COUNSEL (Continued)	
2	2 August 16, 2005
3 On behalf of CompSouth: 4 BILL MAGNESS, Esquire	4 JOSEPH GILLAN,
4 BILL MAGNESS, Esquire 5 Casey, Gentz & Magness, LLP	5 having been first duly sworn, was examined and
6 Suite 1400	6 testified as follows:
7 98 San Jacinto Boulevard	7 EXAMINATION
8 Austin, Texas 78701	8 BY-MS.MAYS:
9 (512)480-9900	9 Q. Mr. Gillan, I introduced myself to you
10 (512)480-9200 (facsimile)	briefly, but begin, my name is Meredith Mays, here or behalf of BellSouth, and I'd like to go over some
11 bmagness@phonelaw.com	behalf of BellSouth, and I'd like to go over some things with you.
12 13 On behalf of ITC DeltaCom:	13 If you don't understand me, interrupt me or
14 NANETTE EDWARDS, Attorney at Law	14 ask for clarification. Otherwise, I will assume
15 ITC DeltaCom	15 you've understood my question when I asked it; okay?
16 Suite 400	16 A. Yes.
17 7037 Old Madison Pike	Q. Just some housekeeping matters. My records
Huntsville, Alabama 35806	thus far show you filing direct testimony and rebuttal testimony in Georgia; you filed direct testimony
19 (256)382-3856 20 (256)382-3936 (facsimile)	testimony in Georgia; you filed direct testimony testimony in Tennessee and North Carolina, and I
20 (256)382-3936 (facsimile) 21 nedwards@itcdeltacom.com	21 believe you're filing testimony today in Florida,
22 nedwards@nedertacom.com	22 Alabama, Louisiana and Kentucky?
23	23 A. Yes.
24	24 Q. Are you also going to file direct testimony
25	25 in Mississippi and South Carolina?

Page 6

Presuming this deposition goes okay, yes.

Q. Okay.

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MR. MAGNESS: Excuse me, Meredith, I'm sorry to interrupt. And we did this with the last deposition. We probably should hear about the taking of deposition by agreement of counsel.

MS. MAYS: Yes.

MR. MAGNESS: As stipulated in the previous deposition.

MS. MAYS: It is. The same stipulations that Mr. Magness used, we'll use for this one as well.

(Whereupon, it was agreed that the stipulations governing the deposition of Eric Fogle will likewise govern the taking of the deposition of Joseph Gillan.)

(By Ms. Mays) And are you also filing 18 rebuttal in Tennessee today, Mr. Gillan? 19

20 Α. Yes.

Sitting here today, before we get into the 21 Q. deposition, do you know of any changes or corrections to the testimony or your exhibits that you have filed

24 thus far?

25 Yes. Α.

typographical -- of direct. There is a -- in the

middle of that quote on line 23, where the capital "B" is in the brackets, there's obviously been sentences deleted from that quote.

And so there should have been four dots on line 23 at the end of the prior sentence to indicate that something had been excluded.

So four dots between -- after the word "loops" and before the bracketed "B"?

10 Yes. A.

11 Q. All right. 12

Substantively, if you go to page 10, on A.

13 line 11.

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O. Yes.

15 A. Where it says, "Normally, BellSouth imposed the increases retroactively," that has been stricken 16 in testimony ongoing since the rebuttal was filed.

But it has not - it would still appear in the

19 testimony that was filed before that.

Okay. So if I'm correcting your Georgia 20 direct, I need to cross out the words, "Normally, 21 BellSouth imposed the increases retroactively," and 22 just have a period after the word "carriers," is that

the correction?

A. I'm hesitating only because I have not -- I

Page 7

Q. Can you walk me through them, please?

At some level, yes. If you go to --Α.

Why don't we start with Georgia, if we can. 3 Q. Is that where you are? 4

5 A. Actually, all I've got in front of me is 6 Georgia.

Q. Okay. You don't have your testimony from your prefile testimony from the other states?

9 Α. No.

10 All right. O.

11 Α. I do not.

All right. Well, tell me, in your Georgia direct testimony and/or exhibit, what changes or 13 corrections you have. 14

15 Okay. I'll try -- I'm doing this from A. 16 memory.

> Q. Okay.

17 We have provided you -- there are some 18 A. edits that have occurred over time and we have given you red lines of those. And I'm not going to remember those. I'll tell you things I caught reviewing this

today and that I'm aware of that you wouldn't

otherwise be aware of. 23

> O. Okay.

25 If you go to page 20 -- and this is am telling you about an edit that appears in those other states, but I'm presuming that that edit will be made to this testimony as well.

Okay. Q.

But -- in addition, there is a version of A. JPG1 that will be attached to the testimony you're going to get today that has some red line changes in it that I do not have with me and could not take you 9 through the specific changes. But you'll be seeing 10 that today. 11

Are the changes to your exhibit in more than one area or is there only one change or do you 13 know?

No. There's -- there are several changes. Α. But they're -- there's not many. But they're spread around.

And then the only other change that I'm aware of or that I can think other than talking to you, is in my rebuttal testimony -- and it would be exhibit JPG4.

Q. Yes?

That exhibit was prepared based on 2003 22 23 data. In the time since the discovery -- in the time since the testimony was filed, I got your work papers with 2004 data. And I have recreated this exhibit

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of paper.

Q.

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Q.

Q.

Α.

with 2004 data. And we would -- I would expect us to 2 be filing that shortly.

But again, I have not had a chance to share that with counsel and go through the process of figuring out how we get that filed. But that would be an update made possible by the testimony -- or the discovery responses we got from you.

- Okay. Do those capture all of the changes that you're aware of thus far, to your testimony?
- 10 Yes. And that change, I don't -- if I recall, I don't believe it materially changed the new 12 wire center classifications, but it did update it for 13 2004.
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- And then one last -- since your question 15 A. was across all these testimonies. 16
- 17 O. It was.
- 18 Yeah. A.

The only other significant change is that in my direct testimony, there is a discussion -- in Georgia, there's a discussion that criticized the inability to look at 2004 data.

Once I had the discovery from you, I struck that discussion and subsequent testimonies going 24 25 forward. So when you look, you'll see that that's

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Q. You don't have a PhD?

Yes.

as well; correct?

been unnecessary.

what do you mean?

2 A.

3 Do you have any formal legal training? 4

particular reason why you did not?

I've testified in the southeast for going

statement cases from Florida. Would that be generally

the day it was filed. There would be more testimony on it. I can -- you know, it's just one of these

things where in states where I'm familiar to the

University of Wyoming; is that right?

Bachelor of arts.

do you mean something else?

commissioners, I haven't been attaching it to -- it's

Okay. Now, you're a graduate from the

When you refer to having a BA in economics,

Do you mean that your major is economics or

And you have a master's degree in economics

I guess I -- my major is in economics.

It would be correct for everything up until

correct here today if I were to look at that?

Now, I have a copy of your CV from the 2003

on 20 years. So it generally just seemed like a waste

I've taken courses in business law. And I've -- at one time, I held a Class B practitioner's 5

license in the state of Florida.

What's a Class B practitioner's license? Q.

8 There was a time in Florida where you could be licensed to practice in front of the commission

either as a Class A, which would be someone who went to law school, or a Class B, which would be somebody 11 who demonstrated knowledge of law specific to the

regulated industry in front of the commission.

Did you have to go through any formalized 14 training to obtain that Class B practitioner's 15 16 license?

- 17 My recollection is that you had to apply A. and demonstrate through -- in your application what 18 body of experience you had that qualified you as a 19 20 Class B practitioner.
- Okay. Are you a member of any professional 21 22 organizations?
- 23 A. Economics professional organization?
 - Economics or telecommunications. Q.

gone, but it's gone simply because with the 2004 data, there's no issue as to what year data do you apply.

- Anything else that you can think of? Q.
- 4 A. No.
- 5 Q. And just -- I should have done this at the 6 outset, but your full name is Joseph Gillan. Do you
- 7 have a middle name?
 - No. I have a middle initial. A.
- 9 No middle name. Q.
- A. We got to chose our middle names in my 10
- family. So legally, it's just Joseph P. 11
- What is your current business address, 12 Q. 13 Mr. Gillan?
- P.O. Box 541038, Orlando, Florida, 32854. 14 Α.
- 15 Is your home address in Orlando? Q.
- 16 A.
 - Where is your home address, please? Q.
- 18 I have two homes: One in Daytona, one in A.
- 19 Montana.
- 20 How long have you had the Orlando address 21 as your business address?
- 22 Since I formed the consulting practice. A.
- 23 '87, I think.
- 24 When you filed your testimony here in these Q. proceedings, you did not attach a CV. Is there any

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- Do you have relations, formal or otherwise 1 2 with the PACE Coalition?
- 3 Yes. They're a client.
- They're a client of yours? 4 Q.
- 5 A.
- 6 Q. The name of your business is Gillan &
- 7 Associates?
- A. Yes.
- 9 Is it incorporated? Q.
- 10 Α.
- Is it an LLC? 11 Q.
- It's just a doing business as. It's not 12 A.
- incorporated. It's just the name on the checkbook. 13
- Do you have associates? 14 Q.
- No. I periodically use other people on a 15 A. 16 contract basis.
- But it's just you? 17 O.
- 18 A. Yes.
- Have you ever had any occasion to take any 19 Q.
- 20 acting classes?
- THE WITNESS: Can I get an objection? 21
- MR. MAGNESS: No, I want to know. 22
- 23 THE WITNESS: No.
- (By Ms. Mays) Have you ever had an ILEC or 24
- Regional Bell operating company as a client?

Page 15

- 1 Yes. A.
- Who? 2 O.
- ILECs, I have had Illinois Consolidated 3
- Telecom Company, Pacific Telecom. The Wisconsin State
- Telephone Association. Cable & Wireless in the Cayman 5
- Islands, Regional Bell Operating Company, Indiana 6
- Bell, and Quest. 7
- 8 When was the last time you submitted
- testimony on behalf of an ILEC or an RBOC? 9
- A. I think it was the beginning of last year. 10
- Might have been the end of the year after. 11
- 2003 or 2002 -- or I'm sorry, 2003 or 2004? 12 Q.
- It all kind of blurs together. But yeah, 13
- somewhere in that time frame. 14
- And which client? 15 O.
- 16 A.
- What did you file testimony about for 17 Q.
- 18 Quest?
- It was an expert report in a civil 19 A.
- litigation involving Quest and the CSX Railroad. 20
- How do you usually obtain clients? 21 Q.
- 22 A. They call me.
- 23 Do you advertise? Q.
- 24 A. No.
- How many cases do you work on, on average? 25

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- It varies significantly. I'm not sure an 1
- average would be meaningful. Maybe two to three a 2 month, maybe, as an average. Maybe less. 3
- How are you compensated? 4 Q.
 - By the hour, plus expenses. A.
- 6 O. What's your hourly rate?
 - Three hundred dollars. Α.
- Does all of your compensation come from 8 O. 9 your consulting practice?
 - Yes. A.
- Now, did you come to get -- how was it that 11 you got involved in this case? 12
- I do -- I have done work for CompSouth over 13 a number of years. They called me. 14
- 15 Q. Who?
- I think Jerry Watts, but I'm not entirely 16 A. 17 certain.
- Do you know when he called you? 18
- Sometime around the time that the TRRO was 19 issued or maybe slightly before that. 20
- And you had a relationship already with 21 O. 22 Jerry Watts?
 - ITC DeltaCom has been a client for a number of years, CompSouth has been a client for a number of years. The organization that preceded CompSouth had

Page 17

- been a client for a number of years. So I had all of the affected members.
- You referred to the organization that preceded CompSouth. What was that?
- Many of the members of CompSouth had belonged at one time to an organization call the 6 Southeastern Competitive Carriers Association. 7
 - Is that still an organization today? Q.
 - A. I don't know.
 - What were you asked to do by Jerry Watts? Q.
- When I was originally retained, it was just 11 to be available to be the witness in what was expected 12 to be these generic change of law cases. There was no 13 specific direction other than that. 14
 - Were you asked to be an expert witness? Q.
- 15 Well, yes. I mean -- but, you know, we 16 A. 17

don't actually walk around and talk like that.

- What did he -- other than saying he wanted you to be a witness in the generic change of law, were you given any other instruction?
- 20 Not as an instruction. I mean, at the time 21
- 22 I believe that the dockets were just opening up. Maybe they weren't even opened yet. I recall they 23
- were petitions that BellSouth may have filed 24
- initially. I can't remember the genesis. 25

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But there was an expectation that the Commission -- the FCC would issue a TRRO that its implementation would be carried out for these cases throughout the southeast. And just as I had worked with many of these companies on the implementation of other FCC orders through the past, through similar or comparable proceedings, that I would be doing that in this one.

- O. And the other work that you've done for CompSouth, has it all been at the state commission level?
- 12 Generally, yes. I think there have been A. 13 occasions where I've helped them put together 14 something filed at the FCC. But none -- although I 15 have a general recollection, that has happened, no 16 specific example comes to mind.
- 17 When you say help them put together, did 18
- you help them file comments? 19 A. I don't recall the specifics. It might 20 have been comments or it might have been a petition in 21 opposition to something. It might have been an ex 22 parte. I don't recall what the legal form was. I 23 just know that there have been times in the past where 24 something happened at the FCC that had particular significance to CompSouth and CompSouth participated

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in some -- in some way.

- 2 Q. Do you recall where you ever provided an 3 affidavit -- you, yourself -- to the FCC on behalf of CompSouth? 5
 - A. I don't recall. I'm not saying that it hasn't happened, I just don't recall any specific instance where that happened.
- 8 Have you had occasion to go to the FCC and on behalf of CompSouth, orally -- provide oral 10 presentations?
- Not that I recall. But I have been at the FCC maybe a hundred times. And there certainly have been issues where I was there for a group of carriers, 14 and CompSouth may have been part of that mix. I just 15 don't recall the specifics, if that happened or didn't happen.
 - After Jerry Watts contacted you about these Q. cases, what did you next do in relation to the cases?
- 19 Were you -- do you understand my question? 20 I think. But I believe at about the same
- 21 time that he contacted me, he contacted Mr. Magness. 22 And the next step probably would have been to prepare 23 a budget estimate.
- 24 Q. Okay. Did you prepare -- do you recall what your budget estimate was?

A. No. No. It was -- it was a living budget

- 1 2 estimate. 3
- Do you recall how much you have billed O. 4 CompSouth to date?
 - A. No.

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- 6 Q. Do you know who you send your bills to? 7
 - A.
- 8 Who? Q.
 - Rose Mulvaney Henrick.
- 10 And what company is she with? O.
- 11 Berch Telecom. A.
- 12 Do your checks come from Berch Telecom or 13 do they come written on somebody else's account?
- I -- I don't know. I send the bills out. 14
- 15 There is an associate: Mrs. Gillan. She gets the
- 16 checks when they come in. 17 Okay. Did you write your testimony in this Q.
- 18 case? 19 Yes. A.
- 20 Other than your testimony, have you given
- other information to CompSouth in the form of reports 21 22 or letters, that sort of thing?
 - A. No.
- 24 O. Do you know who the members of CompSouth
- 25 are?

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- Not a detailed list; no.
- 2 As I understand your testimony, you have --3 it represents the consensus views of CompSouth; is
- 4 that a fair statement?
 - A. Yes.
- 6 Does it represent the consensus of all of
 - CompSouth's members?
 - Yes. It -- in the following sense:
- 9 However many members of CompSouth there are, the ones
- 10 I'm most familiar with are the ones that speak up.

11 I'm not aware of any issue in the testimony

12 for which there's any disagreement on the position. 13 That said, however, each -- many of the

members of CompSouth are in individual negotiations with BellSouth and many of them have different 16 business plans.

17 And so I'm aware that there are times where 18 they've -- they may have indicated that one or more of the companies had taken a different position in the 19 negotiations. But in an effort to try and turn the

- 21 industry around, they all supported what the CompSouth
- testimony says, even if there may have been different
- 23 contract language quoted by individual members in
- 24 bilateral negotiations with BellSouth.
 - What are -- who are the CompSouth members

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ITC DeltaCom, Nuvox, Xspedius, MCI -- and I'm just trying to go through names as momentum.

This is the type of question that can get a consultant to a group in trouble.

And then there are others. But to tell you the truth -- Synergy. And sometimes voices that -- I recognize the pattern in the voice, but I can't attach a name to it. Most of the discussions are on conference calls.

- 11 Okay. If I could take you -- you have your 12 Georgia testimony, I believe; correct?
- 13 A. Yes.
- 14 Q. You've given some figures at -- do you recall some testimony where you're talking about the UNE -- the percentage of UNE based competition in 16 17 Georgia? It's actually on page three. I found it.
- 18 A. Yes.
- 19 Q. What is that? What are those percentages 20 based on?
- 21 The first one would be the -- the numerator A. 22 would be the number of lines on UNE-L and UNE-P 23 reported on BellSouth's Form 477 to the FCC for June 24 of 2003 or -- yeah. June, 2004, I'm sorry.
- 25 And then the denominator would be from the

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FCC's local competition report for that same period, the total number of CLEC lines in Georgia reported by the FCC.

The second of those percentages would be -the percentage would be the number of lines on UNE-P from the Form 477 report, divided by the number of lines on UNE-L, I think. Hold on.

No, actually that comes from -- that actually is the same -- it's UNE-P divided by UNE-P plus UNE-L. But the source of that data would have been your first quarter investor report. And it would have been for the region, since you don't break that 13 data out by state.

- O. Would the -- whatever percentages you use 15 in other states be based on the same process where the 16 first percentage, the competition in all of Georgia, 17 is UNE-L plus UNE-P divided by total CLEC lines in the 18 state?
- 19 The first number would be the same in all A. 20 the states. The second number, I think in some -- and 21 I'd have to go back and check -- the second number in 22 some of these states, since the time this testimony 23 was filed, the FCC released the Form 477 reports for 24 December, 2004. And I would have -- I believe I used

that data to come up with the second percentage, which

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means -- thereby enabling that percentage to be state 2 specific.

So that, for instance, before the testimony will have that percentage of all UNE-based competition in Florida, not the BellSouth region.

Okay. And then when you have the breakdown of -- okay. I gotcha.

You did not include any ILEC lines or wireless lines in those percentages; correct?

- No. 'Cause it's to measure the competition.
- 12 I'd like to talk to you about your O. 13 testimony as it relates to the transition plan and 14 modification of interconnection agreements.

15 If I understand -- well, let me first make 16 sure I understand the change you started talking 17 about, about at page 10 of your direct testimony at 18 line 11.

19 Is it your testimony that the transition 20 rates -- and by transition rates, I'm referring to the 21 115 percent on loops and transport and the increased 22 one dollar in switching.

23 That those -- when do those rates apply from? 24

> Well, they clearly apply from when the A.

> > Page 25

agreements get modified. Then the question is: Can they be applied backwards to March 11th?

When I wrote the testimony, we were -- that we're trying to make sure that a couple of things sync up, including carrier's ability to convert and carrier's ability to comingle with carrier's loss of 251 pricing.

At the time I wrote the testimony, it seemed the easiest way to make sure that those events coincide was through the traditional means of no changes until the contract is amended.

Your testimony pointed out some footnotes in the TRO that the FCC indicated that at least one option is that the breaks can be applied retroactively.

As a group, we're now looking at: Is there another way for us to find a way for these events to coincide in a equitable manner?

And at this point, we don't -- well, if you read this clause in the testimony, I don't have the replacement for it worked out yet with the client.

So you don't know, sitting here today, whether it is the collective view of CompSouth that the FCC's transitional pricing will go back to March 11th, 2005 or not?

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- 1 Correct. I think the sentence is not 2 correct in that it say it's may not. And obviously, one of the choices is that it may. But we have not been able to reach a new consensus.
 - Q. Is this an issue where there are -- there's disagreement within the body of CompSouth where some carriers believe they should go back to March, 2005, and others think they should apply from the date an interconnection agreement is signed?
- I think it's partially that. I think it's 11 also partially a desire to find an inequitable solutions when they recognize that there's a number of changes all happening, and there's a belief that they 14 should happen together.

And we just haven't quite frankly had the 16 time to figure out yet a way to make an alternative proposal.

- Do you expect to be doing that before the Q. hearing in Georgia?
- 20 I expect to be trying; yes.

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- 21 If an individual CompSouth member signs an 22 amendment with BellSouth to their interconnection 23 agreement, and it captures TRO changes and TRRO
- 24 changes, what is your position as to how this docket -- an order in this docket would relate to that

Q. Is it your testimony that once a CLEC places an order to migrate from Section 251 services to some other service arrangement, that the transitional rates apply upon the submission of the 5 order?

No. But I -- what the testimony is, is that the transitional rates apply. They place an order to take them off of the 251 UNE, which is deemed price under transitional rates to something else.

The testimony is that those transitional rates would continue to apply until that order is effective; until it's implemented. I think that's what you meant.

- Q. Let me make sure I understand. Let's say you have a CompSouth member today, they have an interconnection agreement with UNE-P switching prices.
- A. Oh, okay.
- 18 Q. In order to migrate from UNE-P to something 19 else, they need to place an order with BellSouth; 20 correct?
- 21 A. Correct.
- 22 Once they place that order with BellSouth, 23 what happens to the rate they are paying to BellSouth 24 for their service?
 - Well, let me make sure I understand. They

Page 27

particular member's amendment?

MR. MAGNESS: I'm just going to object in that it calls for a legal conclusion about the nature of the contracts and their legal affect.

THE WITNESS: And I was going -- I don't know. Because I don't actually --I've not talked with anyone that's in that particular circumstance as to whether -- as to what they think their rights are under the amendment that they signed.

- (By Ms. Mays) Your testimony -- you do state that your belief is that individual members should be able to negotiate with BellSouth; correct?
- 15 A. Yes. 16
- O. And they should -- do you also believe that 17 they should be able to come to whatever terms that are 18 mutually agreeable to that member and BellSouth?
 - A. Yes.
- 20 Now, when you talked about the actions that are necessary to effectuate the transition, it's your testimony that a CompSouth member needs only place an order with BellSouth to receive transitional rates; is 23
- 24 that right?
- 25 A. I think -- I need you to restate that or...

have a UNE-P arrangement. They're paying transitional 2 rates now: correct?

Q. No.

Well -- because the contracts have not been amended. You're right.

When the contracts are amended then they'll pay the transitional rate. The question that we still have open is: What rate applies retroactively back to March 11th.

And that's the one that we're still working on. On the going forward basis, once the interconnection agreement is amended, the transitional rate, then they start paying that without question, up to the point that the arrangement gets moved to something else.

- O. When the arrangement gets moved to something else, is it your testimony that they would then pay the price for something else?
 - For something else; right.
- Does it depend on when the transition from the UNE-P to something else happens?
- Well, their -- their obligation would be to place an order to the something else by March 11th of next year. Then whenever you implement that order, the transitional rate disappears to the something

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If they place the order before March 11th and ask you to move it before that time, then presumably the rate for the something else kicks in and you have the something else.

- Why do you reach the conclusion that CompSouth members only required to place an order by March of next year?
- 'Cause I believe the FCC orders gives the commission the ability to reach that finding. And as a practical matter, once the order is placed with you, then how long it takes is an issue that you have to resolve. It's not something that the CompSouth member can control.
- Q. You've read Ms. Tipton's testimony when she talked about some of the language in the TRRO about some of the tasks that are necessary to effectuate a transition; haven't you?
- 19 A. Yes.
- 20 And your reconciliation of the FCC's order 21 is simply that the orders can go in by March 10th, 2006 and the CLEC is in compliance with what the FCC 23 has set forth?
- 24 A. Yes.

25 And I think the real problem we have in

their switching is something other than the rate in 2 that contract plus one dollar?

3 Yes. I believe that would be true, particularly if the -- that the commission concludes that transitional pricing, period, is applied retroactively to March 16th.

It's a double-edged sword. If the FCC reached in and modified all those contracts to give you higher rates and the state commission agrees with that, then one of the prices that the FCC, I believe, reached in and changed was the rate for customers 11 12 below DS1.

- Q. And what do you base that on?
- 14 The comment on page 14, where the FCC A. refers to, "The transition period applies to all bundled up circuit switching arrangements used to 16 17 serve customers at less than DS1 capacity level."
- 18 Do you base it on anything else other than Q. 19 that?
- 20 A.
- 21 And is it your testimony then that the FCC has effectively rewritten the contract as it relates to that unbundled switching customer with less than a DS1 but more than four lines? 24
 - A. Yes. If, in fact, a commission concludes

Page 31

this proceeding isn't that issue. It's the issue of coming to an agreement upon what the then -- the menu of other things BellSouth must make available exists.

- Can you go to your direct testimony for me, on page 14.
 - (The witness complies.) A.
- You have -- you talk here about transitional rates for switching. Is it your testimony that a CLEC that has an interconnection agreement that contains switching rates for a customer who has more than four lines but less than a DS1 is not obligated ---

MR. MAGNESS: Could those on the phone mute your phones, please?

(By Ms. Mays) Let me start again.

You have a CompSouth member and they have an interconnection agreement with BellSouth. In the interconnection agreement, I want you to assume they have a rate for switching and it is a rate for switching with a customer with more than four lines but less than a DS1 circuit.

Are you with me so far?

- 23 Yes. A.
- Q. Is it your testimony that for that 25 particular CLEC, that the transitional pricing for

that the FCC reached in and redid the contracts for trying to apply transitional pricing, in advance of the contracts being amended, one of the categories of lines that is subject to that transitional pricing are 5 the lines below DS1.

I take it from your testimony that you have some concern with BellSouth, and particularly with Pamela Tipton attaching an entire Attachment 2.

Is that a fair characterization?

- A. Yes.
- 11 Q. And your concern is that as it relates to a 12 particular CLEC, they may not have any issues with all 13 of Attachment 2.

Is that your concern?

15 Well, as a general rule, the issues that 16 the members of CompSouth have been working with me on relate to the limited set of issues that the testimony attempts to address, and which come out of principally 18 19 the TRRO.

We did not view this proceeding to be less, BellSouth's Attachment 2 was somehow being binding on anybody.

23 I mean, if you want to go revise your 24 standard offer to people at the conclusion of this, you're free to do so. We just don't think that this

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case should be about some sort of approval of that attachment in a blanket sense.

- Q. How do you envision the results of the commission's order actually being implemented?
- When the commission issues an order and either -- and picks one form of contract language versus the other, it's a starting -- it's an opportunity for carriers to then go back and ask that that contract language be incorporated into their agreements, or to work with BellSouth on some other approach to get those decisions rendered into their agreements.

I think, as we indicated in the rebuttal testimony, the idea that the commission would give a relevant limited period of time for everyone to go out and then take the results from this to go work into their individual contracts is not unreasonable.

We have the same problem you do. We have a variety of members that have different contracts with different -- some of them are effective; some of them are expired; some of them look one way; some of them look another way.

It's the best way we can manage of trying to get the commission to focus in on these issues and then the parties would be obligated to work it into

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their contracts.

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Q. Let me give you a scenario. Let's suppose you have a CompSouth member who has negotiated individually with BellSouth. And they have reached agreement on some, but not all of the language in Attachment 2.

Is -- what you believe should happen is that they should come out -- an order would be entered in this proceeding and that they would take parts of that order and fill in the gaps for their Attachment

If those issues are issues that they've not come into -- reached agreement with BellSouth on, yes. The commission has rendered a judgment on the disputes.

And so now both parties would have to incorporate into an agreement. If have other areas that you had agreement on, then you have other areas that you have agreement on.

What if you had an area that as a CompSouth member has said, "We have no issue here," but they have not signed a contract.

If the commission comes back and addresses an issue that they have orally stated to BellSouth that they've reached agreement on, are they allowed to change their mind?

A. I mean, I'm assuming that until you sign a contract, you're always able to change your mind on parts. I mean, you might have taken things off the table, but I don't know that that means that any -that you're legally obligated to not put it back on the table before the contract is actually signed.

What about a CLEC who has not had any meaningful discussions with BellSouth about Attachment 2; do you understand that part of BellSouth's goal at 11 the end of this proceeding is to implement changes 12 across the board with all CLECs.

13 Do you understand that?

> A. Yes.

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Q. So if there has been a CLEC that has not come to the table at all, and they need to have a new Attachment 2, do you have an actual objection to that particular -- commission stating, "This is a legally compliant version of Attachment 2 that can serve as a default"?

21 A. Yes. I don't believe that -- I don't 22 believe that's the way they act as structure. That 23 they can oppose a default on that carrier.

24 Q. So if a --

Or that they can permit you to impose a

Page 37

default on that carrier. You must understand from our 2 perspective -- never mind. 3

Q. Are you finished with your answer?

A. Yes.

I was trying to get a hypothetical to somebody who hasn't negotiated at all. And I'm just trying to understand when you object to Attachment 2 in its entirety, is there a difference in your mind with a carrier who has negotiated parts of Attachment 2 versus a carrier who has never negotiated any part of Attachment 2.

I haven't actually thought about this particular scenario, but I do not believe that the commission can adopt an Attachment 2 that is compulsory to carriers.

Q. I want to talk to you about high capacity loops and transport, if I could.

Do you know the total number of wire centers that, based on BellSouth's view, would meet the FCC's unbundle -- the test the FCC has set forth for -- I'm not saying this right.

The FCC has laid out certain wire centers, and you have that in your testimony?

A. Yes.

Q. And once those tests are satisfied, you

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would agree with me that BellSouth is not obligated to provide high capacity loops and transport in certain wire centers? Right.

- Yes. Although how you actually go through to get this implemented is -- is the subject of this proceeding.
 - Stick with the high level for a minute. Q.

Do you recall, sitting here, how many total wire centers BellSouth contends are wire centers in which it is no longer obligated to unbundle high capacity loops and transport?

- I have no looked at it region wide. A.
- 13 Q. Have you looked at it on a state-by-state 14 basis?
- 15 Yes and no. We have the data to look at 16 your claims with respect to business lines. We don't 17 really have the -- a vehicle yet to evaluate your 18 claims.

We expect fiber based collocators. But I'm generally aware of Tipton Exhibit PAT4, I guess, that outlines what wire centers you claim meet the different tests for transport and with unbundling.

Now, you take issue with the way BellSouth has interpreted the FCC's business line definition; is 25 that fair?

doing an analysis based on 2003.

And the conclusion I reached from the analysis was that not still -- since they're reasonably close, it makes sense to look at what kind of problems I see in the 2003 data, under the expectation that similar problems would be in the 2004

- It is your -- you did state that at the end of the day, you want a state commission to use 2004 data; is that right?
- 11 Yes. And as I indicated, I'm going to 12 refile JPG4, which is what I believe to be a correct 13 calculation of business lines by wire centers using 14 your 2004 data.
- 15 Q. Look -- if could take -- go over to JPG3. 16 You have -- tell me what this document is supposed to 17 be.
- 18 A. JPG3?
 - JPG3. Q.

20 Okay. It's identifying what percentage of 21 the total number of business lines in these wire 22 centers was driven by your growing UNE-L up from lines 23 to the full maximum capacity.

24 Does this JPG3 show you which wire centers in CompSouth's view are no longer subject to

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A. Yes.

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And you believe that additional directions are needed to implement the FCC's rules?

I don't know if "direction" is the word. I believe that we have a dispute on business lines that will be from the commission, and the commission will decide which one of us is correct.

We have the beginning, I think, an emerging dispute on fiber base collocators, but it's not completely formed yet. Because the competitive side of the industry has just recently gotten the information to try and validate and/or challenge your fiber base collocator claims.

- Well, help me for a minute. Let's go to your rebuttal testimony exhibits. Your first rebuttal testimony exhibit is JPG2.
 - A. Yes.
 - O. And what is the purpose of this exhibit?
- The data that -- the detailed data that I A. had to evaluate your business line analysis was for 2003, not 2004, when I read the rebuttal testimony.

So the purpose of JPG2 was really to say, "If I analyze your claims under 2003, are they likely to still be meaningful," or is there such a difference between 2003 and 2004 that there's really no point in unbundling or --

A. No. That would be JPG4, once the new one comes in. JPG4 is the corrected business line count. The current one you have is based on 2003 data. The one we'll file shortly will be 2004 data.

Okay. If I compare JPG3 to JPG4, what is the difference between your column marked, "business lines from UNE-L assumption," on JPG3, and your, "correction wholesale lines," on JPG4?

JPG3 is the total potential capacity of all the UNE-Ls that is out there. JPG4, the correction is taking out of that total, an amount that I believe is unreasonably included.

It's a recognition that there is some movement up from just a raw line count on UNE-L, but rather than going to the maximum potential capacity, which is reflected on JPG3, you go to an estimate of the amount used to provide switched business line services.

Okay. Let's go back to JPG3. I realize that you marked this as confidential. I don't actually think we filed the business line accounts in the Wallace exhibit -- we did not file this as confidential.

So I'm not -- just for your information, I

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don't believe we need to necessarily keep these 2 confidential.

- 3 If you don't want to, that's fine. It came 4 from a discovery response of backup information for 5 2003.
- 6 Q. Okay.
- 7 A. And I labelled it this way in an abundance of caution. But I agree, it probably doesn't need to be confidential.
- 10 Q. The first column, the 2003 claim business 11 lines comes straight from the BellSouth's information
 - that we have provided to you; is that correct?
- 13 A. Yes.
- 14 Q. And that is BellSouth's calculation of
- 15 business lines?
- 16 Α. Correct.
- 17 O. You have then said business lines from
- UNE-L assumption in the next column over; correct? 18
- 19 Correct.
- 20 What is that number? That's all UNE-Ls? Q.
- 21 All digital -- it would have been the DS1
- 22 loop, DS1 EEL and DS3 loop. Not the DS0 UNE-L.
 - Do we have a dispute between -- as it
- 24 relates to CompSouth and BellSouth, about BellSouth
- counting DS0 UNE loops in its business line

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calculations?

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- 2 I'm sorry? DSL? A.
- 3 DS0. You said this column does not include O. 4 DS0.
- 5 A. No. It probably over counts, because you
- 6 can't be certain that they're used to provide switch 7 business line services, but I did not make an
- adjustment to that line; that column is so
- inconsequential, I don't think it makes any
- 10 difference.
- 11 So when BellSouth counts business lines, 12 you do not -- you don't take issue with BellSouth 13 including all DS0 UNE loops?
- 14 A. I think it's more accurate to say that it's 15 such a small number, that trying to go in to do it 16 correctly wouldn't be worth it. 'Cause you just --
- you don't know whether or not those lines are used to provide switch business line service. But there so 18
- 19 few of them, I did not try and correct for any
- 20 potential error in that column.
- 21 It's your belief that the FCC's business 22 line definition requires only switched lines whether
- 23 they are switched lines of BellSouth or switched lines
- 24 CLECs; correct?
- 25 Yes.

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- 1 Q. How is BellSouth supposed to know if a UNE 2 loop is switched or not?
 - A. I think the easiest way is to use the factor that I developed. At some point, you're not going to know to perfection. But we have two competing alternatives: You did an assumption that all of it is used to provide switched services, and we know that isn't true.

But yet, you had database on your own use 10 of these type of facilities that could be used to calculate what percentage of your facilities are used to provide switched business services. And that's the 13 percentage I applied.

- 14 Are you aware of any data source that Q. 15 provides a breakdown of UNE loops broken down into switched UNE loops versus non-switched UNE loops? 17
 - A. With perfection; no.
- 18 So your business lines from UNE-L
- assumption includes DS1 UNE loops, DS1 UNE EELs and 20
- DS3 UNE EELs; is that right?
- 21 A. Yes. I mean, that's -- it's just from your 22 work papers. It's the amount that you calculated. I
 - just put them in that column.
 - Q. If you go over to JPG4, you have the same
 - -- the first column is identical. And then the second

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column has corrections. "Retail lines" is the first 2 -- is the next column over.

Do you see that?

Yes. A.

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- 5 Q. What is that column -- what does that 6 column represent?
- 7 That's the adjustment you made to your retail lines to increase your switched business lines 9 to add whatever the remaining capacity on digital 10 facilities existed.
- 11 This is where if BellSouth had a retail 12 DS1, and 18 units of the 24 channels were in service, 13 we counted it as 24?
 - Α. Correct.
- 15 And so you have made that adjustment all 16 the way in each -- in each of the wire centers listed 17 here?
 - A.
- 19 You have backed out if it was -- using the O. 20 example I gave you -- if it was 18 or 24, you backed 21 up six, for example?
 - A. Yes. I backed out what you added.
 - Q. Then what's the next column over?
- 24 It -- it then takes the same -- across all A. 25 these wire centers, it takes the same percentage of

business lines to maximum potential capacity that you 2 have and apply it to the UNE-L capacity for the CLECs.

- When you take both of those corrections, you then show the corrected business lines?
 - A. Yes.

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- 6 Q. And what you have told me today is that you are going to refile this, based on 2004 data, but it does not change any of the wire centers? Explain that 9 to me.
 - Well, if you look at the top five --A. because this is all actually -- this is what I actually looked at to draw that conclusion.
 - -- the relevant break point for DS1 on bundleing obligation is 60,000 lines. Of the five that you showed with your assumptions, I have two continued to meet those requirements, three do not.

That same outcome exists in the 2004 data. I haven't gone down and looked at the rest, but I know that collection still fell out in the same categories.

20 O. Once you've made your corrections, for 21 those wire centers that don't require both a fiber 22 based collocation and a business line account to meant 23 to qualify for relief --

You with me so far?

A. They don't need both. We're talking about

Page 48

"Significantly four of the five wireless centers where BellSouth claims it need no longer offer DS1 loop to the 251 UNE. Our result is BellSouth's unfounded assumption," and it continues from there.

Do you see that?

Yes.

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Q. Can you identify for me the four of the five wire centers on JPG4?

9 No. And the reason is -- and this is 10 inartfully worded -- in this section of my testimony, 11 I'm talking about how many -- how much of the results 12 are driven by your assumption without then going to 13 see -- without yet having performed my own analysis to determine how many would still qualify even under my 15 assumption.

16 So you would see it not on JPG4, you would 17 see it on JPG3.

18 You're not saying --

19 I think I actually deleted that in the next 20 rebuttal. Because once I have my own way of calculating it -- I didn't mean to imply that all of 21 22 your results are unfounded. Just that assumption was 23 driving that result.

Now, just because your assumption was

wrong, doesn't mean that a more reasonable assumption

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transport.

Q. We're talking about transport.

you've made your corrections, for those wire centers that meet just the business line threshhold, will it be your testimony that -- is it your position that

If you're talking about transport and

7 CompSouth members should stop ordering transport from those particular wire centers?

9 I'm going to take that back to the group.

Okay. Can you, sitting here today -- is there any circumstance that you can think of in which a CLEC could certify to obtain unbundled DS1 transport?

A. Well, as a 251 network element, no. Do they have a right for it as a 271 network element,

So part of my hesitancy goes to your phrase "quick ordering," because I think they're still entitled to obtain the same service what we have as a pricing dispute as to what price would apply to those services.

22 Okay. If you could go to your rebuttal 23 testimony at page 18 for me.

24 (The witness complies.)

25 And at line six to ten, you state, Page 49

wouldn't provide, you know, another wire center. And 2 that's what happened here. 3

Your assumption had four of them qualify. A more reasonable assumption of that group of four still had one of them qualify.

- What is the basis for your statement that my assumption or BellSouth's assumption was wrong?
- Because -- well, you're on beta. Nobody provides switched business lines on the maximum potential capacity of digital circuits. They either 11 have unused capacity or some blend of beta. And it's 12 a substantial percentage of that capacity is not used 13 in that wav.

So the only question becomes: What's the best way to estimate the percentage of that capacity if it's not used in the required way. You assumed that that percentage was zero. And that's just not plausible.

- 19 Why do you think the FCC included the 20 language in its business line count about -- I'm paraphrasing -- but essentially to factor in all of 22 the capacity?
 - It didn't say factor in all of the capacity. They told you for capacity that's used for switched business lines, you should use the voice

grade equivalent. I don't believe that that direction is the same as saying, just throw in unused capacity. Capacity used for data services.

I don't believe that the rule was written so that one part of it overrides every other part of the rule.

O. You talked a little bit about some fiber based collocation and potential issues you had there.

Do you recall talking about that earlier today?

A. Yes.

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- O. What is your issue with respect to fiber base collocation?
- 14 There's probably three. And I say probably, because the first issue is we're still 15 16 struggling for a way to find out if what you say is 17 true is in fact true.

You chose the words in your testimony carefully. So there are configurations that we believe should not be counted that when we match it up against your testimony, it doesn't appear to be clear that you directed your people not to count them.

The most obvious is: When you have one fiber network going into a central office, and in that central office, it is cross connected to more than one

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collocation cage, if there's nothing in your discussion of going out and counting fiber base collocators to make it clear that your people were directed not to count more than one network.

If you had a carrier, say it's Atlanta Gas Light. And they ran fiber into a central office. And four CompSouth members purchased fibers from Atlanta Gas Light and went to their collocation space.

Is it your testimony that you would only count one of the four as a fiber base collocator?

- Well, there's only one fiber based collocator if Atlanta Fiber -- is that the --
 - Q. I just said Atlanta Gas Light. But...
- 14 Whatever.

-- is actually the carrier operating that 16 network and that network terminates. But once in their collocation case and if they're offering services to other CLECs in that wire center, you don't count those CLECs that are obtaining services. There's only one -- only one of those companies is a fiber based collocator. That's correct.

22 And so based on your question, it sounds 23 like the difference that we perceive probably exists 24 does in fact exact exist.

Q. What do are you relying on for your

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testimony about fiber -- let me back up.

If you go to your rebuttal on page 24.

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- You use the word "fiber network" at line six. Do you see that?
- Α. Yes.
- Q. Where in the FCC's rules does it state that one is to look at a fiber network?
- 9 That term could have been written to say 10 fiber based collocator and I meant the same thing.
- 11 You interpret fiber based collocator and 12 fiber network interchangably?
- 13 Yes. Because the fiber based collocator is terminating a network -- terminating a fiber optic 14 15 cable that leaves the collocation. That would be a 16 fiber network.
 - Q. Have you asked any of -- have you asked any carriers to identify their fiber based collocation space; have you asked them to do that?
- 20 We're in the process of doing that. We are 21 aware that you've done that, and we're following up on your discovery request for admission with our own. 23 We're not trying to serve every carrier in the 24 southeast, we're trying to validate our claims.
 - What are you doing?

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- As I described in my rebuttal testimony, we first need to know who it was that you claimed were fiber based collocators so that we could then address our questions to those carriers.
- Q. Have you actually submitted questions to those carriers?
- We are in the process of filing for those carriers. Unfortunately, there was a computer glitch yesterday that caused it to not get done yesterday.
- When do you expect to file discovery? MR. MAGNESS: I expect it may be filed now.
- (By Ms. Mays) Can you go to your rebuttal Q. at page 19.

We started talking about fiber based collocation. You said you had three problems with your fiber based collocation?

- Α.
- 19 Q. What are the other problems? We went over 20 the fiber network issue, if I recall correctly.
- 21 Well, I've already given you two of them. 22 With UNEs, we are -- need a way to confirm what you

say, even if we didn't think there was a problem. Even if we think you didn't necessarily

have a systematic flaw, we still need to validate.

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Second problem is: We think we've identified a systematic flaw, but we're uncertain. Because as I said, your testimony isn't so detailed as to directly address the concern we have.

And then the third one is we're aware at least in one instance, that you are double -- well, what we would consider double counting SBC and AT&T.

So the first problem -- I just want to summarize and make sure I understand it.

Your first problem was: You thought, "We might have a systematic problem," but you weren't? Sure. Did I say that right?

A. No. That's first general concern of, "We 13 14 need a way to make sure that what you say is true." 15 Even if you did -- even if we -- had no disagreement 16 about methodology, we need a validation tool.

17 Q. Your first issue is validation, generally?

18 A. Right.

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19 Q. Is that an issue that you have with

20 BellSouth or just a general issue? 21

In other words, the FCC has -- you want a method to validate. Is there anything that BellSouth has done that prevents you from validating?

24 Not prevents us, but it -- until you told 25 us who the fiber based collocators were, we couldn't

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even start the process. So we now have that and that process is under way.

Secondly --

- Q. Let me interrupt you, please, just to make sure. So is your first problem now -- your first concern now alleviated, relieved?
- A. No. We still -- we're still not certain if we asked these companies if they are that they'll
- 10 Your first problem was validation. You now 11 have the information, you can go out and try and 12 validate?
- 13 And try and validate. But the step had not 14 been accomplished.
- Q. You have not actually gone out and 15 16 validated to date?
- 17 The discovery is in the process of being 18 sent to those companies. We don't have those answers. We don't know which ones will answer. 19
- 20 Okay. So how do you resolve your first 21 problem? If the company doesn't answer you, how do 22 you resolve your need to validate the data?
- 23 Well, one option -- which I have not 24 discussed with my group yet -- is now that we know how many you claim exists, where they are, we can figure

Page 56

out which set of wire centers. The results are sensitive to whether you counted correctly or not.

And since it's a limited number of wire centers, one way of possibly validating is get a BellSouth person, a CLEC person and a commission staff person go out and just look at these things.

Q. Okay. You started then with your second concern, I believe.

9 Second concern is that we believe that 10 there appears to be, at least, the possibility of a systematic difference and how we believe the rules are to be interpreted and what you believe.

And what is that systematic difference?

14 It is illustrated by your question. If a 15 provider -- if a carrier has a fiber optic cable that comes in and terminates in their collocation cage, 17 that they provide services off of that in some way to 18 other collocators in that central office where your 19 people appropriately instructed to detect that and 20 exclude those other carriers as independent fiber 21 based collocators.

22 Q. And how do you intend to resolve your 23 second concern?

Well, again, the first one is: We know now who you have claimed to be fiber based collocators and

what kind of arrangement that they have in the collocation.

we can go and try and determine from those carriers

And what will you ask those carriers? Q.

Since I -- since that discovery is in the process of being filed and I'm not sure I saw the last version, I'll wait until we see it in an hour or tomorrow or whatever. Because it'll be in that discovery. At least as I understand how it was going out.

The third concern was SBC and AT&T.

- And it's your contention that SBC and AT&T should be counted as one?
 - As affiliates; ves. A.
 - Q. And that is based on what?

That it's just a timing anomaly that allows you to claim that they're not one. Those carriers are announcing that they expect that merger to occur by 19 the end of this year or early as next year. In many 20 of these states, if not all. They could have been 21 merged by the time the commission sits down to even look at this wire center list, and we don't believe 23 it's reasonable to treat them as two separate carriers when it's a known fact or as close to a known fact as 25 one can have that they're about to operate as one.

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- Do you know how many, if any, wire centers 2 the AT&T and SBC problem makes a difference? 3
 - Yes. A.

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- 4 How many?
- 5 I don't know -- I don't know the top end, 6 but I know it makes a difference in at least one.
 - On in Georgia or one region-wide?
- I know of one region-wide. I have not A. looked at the Georgia high list collocator list yet to determine whether that problem exists here as well.
- 11 Is that the only instance where there's an 12 expected merger where you believe they should be 13 counted as one?
- 14 A. It's the only merger that's pending that 15 I'm aware of that...
- 16 Q. Do you believe anytime a carrier announces 17 a merger -- let me give you a hypothetical. Say tomorrow, two of your members announced a merger.
- Would your testimony then be that if those two members
- had fiber based collocation arrangements you could 21 count them as one?
- 22 A. Yes. I believe that it would be.
- 23 Regardless of whether or not the merger had Q. 24 actually closed?
- 25 Well, but if the merger doesn't in fact

- percentages relate to BellSouth's list versus your corrections?
- 3 Α. No. I don't recall the FCC percentages 4 being carrier specific.
- 5 O. Let's talk about Section 271. Your testimony is that BellSouth has to offer Section 271 7 elements through approved interconnection agreements; is that right?
- 9 A. Yes.
- 10 Is it your testimony that that is the only 11 way that BellSouth can meet its Section 271 12 obligations?
- 13 I believe an argument to be made that they 14 can satisfy it through a statement of general 15 available terms and conditions.
- So stated differently: The only way 17 BellSouth can satisfy its 271 obligations is through 18 an interconnection agreement or an SGAT?
 - A. Yes.

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- And your testimony is also that any two 21 section -- Section 271 obligations have to be 22 arbitrated before a state commission; is that right?
- 23 They don't have to be arbitrated, but if 24 there's a disagreement, that that would be the
 - process. That's how you get approval to go on to

Page 59

close, you can always go and add the wire center to

the list. But we can never correct for the mistakes

that you make. Or rather the -- if you assume that the merger is not going to close and it does, we can't

go fix that situation in the same way you can fix a 6

merger that is expected to close but for some reason, doesn't.

Since it's totally asymmetric in that regard, it seems reasonable that the benefit of the doubt that the expectation was satisfied.

- Is there anything in the FCC's rules or order that you rely upon for your conclusion that you should count AT&T and SBC as one?
- Well, the rule requires that you count 15 affiliates as one. So what we're discussing is 16 affiliated when. Affiliated eminently, affiliated now. I think the rule is effectively -- I think the rule gives the state commission the latitude to consider that the merger is eminent and approving and counting them as one.
- 21 Are you aware that the FCC set out certain percentages when it adopted its wire center test; do 23 you recall those percentages at all?
- 24 Generally. A.
- 25 Have you done any comparison of how those

Section 252.

- 2 And each state commission would then 3 address the issue raised in the arbitration under your 4 view?
 - Yes. Α.
- 6 And a state commission could reach a O. 7 different conclusion -- one state commission could reach a different conclusion than another state 9 commission; right?
 - A. As to?
- 11 As to the issue before it. Q.
 - A.
- And the -- you also believe that the 14 resulting interconnection agreement should be filed 15 with and approved by a state commission?
- 16 A. That's what I believe Section 252 says; 17 yes.
- 18 What do you rely upon to reach the conclusion that only an interconnection agreement or 19 20 an SGAT can satisfy -- BellSouth can only satisfy its 21 Section 271 obligations?
 - A. The language sited.
- 23 Do you rely on anything else? Q.
- 24 Well, I think the act says it, so I rely A. 25 upon the act. I noted that the court in Minnesota

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Page 62

concluded that to be true. And it was recognized that checklist items had to be offered in interconnection agreements.

So in a sense, I guess I relied on that as well.

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- You relied on the language of the act and you relied on the Missouri commission decision?
- 8 I guess I didn't rely upon a Missouri commission decision. I believed this before the 10 Missouri commission issued its decision.
- 11 Have you reviewed -- have you done any sort 12 of analysis of all state decisions that have addressed 13 Section 271?
- A. Not completely. I'm aware that there are 15 some that have concluded that they have the authority and I'm aware that some have concluded that they didn't have any authority over 271.
- 18 Have you read each -- which state 19 commissions are you aware of that have addressed the 20 issue?
 - Massachusetts, North Carolina. I think A. Tennessee has, although there's no written...

Missouri, Illinois may have, although I can't recall whether they reached both 271 and state law.

that's looked at whether there are more state

commissions that have entered orders, such as a

Missouri order that you cite, as compared to state

commissions that entered orders similar to 5

Massachusetts?

A. No.

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7 Q. Are you -- do you plan to do any such analysis?

10 If a majority of states decided they did 11 not have 271 authority, would that change your view at 12

13 No. Because what's going to happen? Where 14 the CLECs have won, the ILECs are going to appeal. Where the CLECs have lost, I presume they're going it appeal. Maybe they don't.

But eventually, the question's going to be answered. And when the question gets switched, I would assume either the states that concluded they didn't have authority will then realize they do and 21 act, or the states that did act, if it goes the other way, will be judged to have acted incorrectly.

Are you aware that BellSouth has entered into a number of agreements with carriers to -- what it called commercial agreements?

Page 63

1 A.

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Yes. When you state that -- and I'm referring to your direct testimony at page 12, at lines six through seven. When you state that, "CLECs did not yet have even basic information concerning one of the most important options --"

You see that testimony?

I know I say it.

Q. What do you mean by that?

10 I believe -- I don't believe that you have 11 a 271 compliant offering out there. Those rates have not been found to be just and reasonable. You don't include performance measures as part of it, which I believe is the 271 obligation. 14

So I believe there's a practical matter. The CLECs still do not know what a 271 complaint offering from BellSouth will look like, so they know whether or not that's one of the things they should consider in moving from 251.

- So you're not suggesting that CLECs do not 21 have information about BellSouth's commercial offering --
- 23 A. No.
 - -- are you? Q. You're suggesting they have information

And I indicated Massachusetts did not; correct?

- You indicated Massachusetts. I didn't ask Q. you yet how they had addressed it.
- A. I'm sorry. I believe Massachusetts determined they didn't, and North Carolina concluded that they didn't.
- 8 O. And when you said didn't, you mean the 9 Massachusetts commission did not --
- 10 A. Have authority to establish -- to address 11 271 issues in arbitration.
- And you said North Carolina had reached 12 Q. 13 that same conclusion?
 - A. I believe so; yes.
- 15 O. And with respect to --
- 16 A. I know we have not been successful in getting them to a certain jurisdiction. I can't 18 recall how specific they were for the reasons that 19 they did.
- 20 Have you done any type of analysis to try 21 to see if there's a trend in the state commission 22 decisions?
- 23 Α. You mean a trend as in are more this week 24 than last week?
- 25 No. I mean have you done any analysis

17 (Pages 62 to 65)

about the commercial offering, but they don't have any other information?

I'm just trying to understand what you mean

- They do not have information about a 271 compliant offer from BellSouth.
- What would a 271 compliant offering consist of, in your view?
- Just and reasonable rates, I think, with continued performance monitoring, are the two that come to mind most. It would have commingling obligations.
- Are you aware that at least one of 14 BellSouth -- one of CompSouth's members has reached a commercial with -- one of CompSouth's members has reached a commercial agreement with BellSouth?
 - I'm assuming that that's correct.
- 18 Have you asked that -- any of your member 19 companies for information about BellSouth's commercial 20 offering? 21
 - A. I'm not sure I understand the question.
- 22 Well, have you asked your member companies 23 what BellSouth's commercial offering has, what the
- 24 terms and conditions are?

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We've generally discussed it, and I've seen

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the ones that you've posted.

You used different terms went you talk about Section 271. Sometimes you talk about a compliant offering, sometimes you talked about a commercially meaningful offering, sometimes you talk about a commercially viable offering.

Are those terms all supposed to mean the same thing?

No. I'm not -- there is -- I believe that the just -- that the pricing standard applies to your 271 obligation is just, reasonable, nondiscriminatory, providing meaningful access.

So when I use commercial and meaningful, I'm paraphrasing to the meaningful access part of the standard that the FCC laid out.

A 271 compliant offering would be an offering that complied with all four requirements, in terms of the pricing.

- 19 Just, reasonable, nondiscriminatory, and O. 20 what's the fourth?
 - Meaningful access.
- 22 And when you refer to commercially viable, 23 what do you mean by that?
- 24 Well, to me, if it provides meaningful access, then it's a commercially viable offering.

Page 68

Paraphrasing.

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All those things: Just and reasonable, nondiscriminatory, meaningful access, would give you commercial viability.

- Q. When you refer to the term, "commercially useful," is that something different?
- 8 O. And if I understand your testimony, you 9 believe Section 271 prices would potentially be 10 different than Section 251 prices; is that right?
- 11
- 12 Q. Is it your testimony that a section 251 13 would, in fact, satisfy Section 271?
- Yes. I think that's how you got into this begin with. The 251 prices satisfied 271 at least before the FCC articulated that the 271 standard is 17 just and reasonable.
 - Do you believe that a Section 271 price could be lower than a Section 251 price?
- 20 Yes. Actually, it could. And I'll tell 21 you just in general terms, why. I'm not advocating one here. But just and reasonable, at least one way to look at it, could be embedded costs. All right.

24 It is not true that -- a 251 price is a

TELRIC-based price. It is not true that TELRIC is

Page 69

always less than an embedded cost -- or rather --2 yeah, that TELRIC is always less than an embedded 3 cost. 4

Because an embedded cost, you have accumulated depreciation. If you buy an asset over time, that asset becomes less and less valuable through accumulated depreciation. And so the embedded cost of that asset declines each and every year.

When people do TELRIC studies, though, they assume that you bought things new, and as a result, they're not marked down by accumulated depreciation.

12 So it's certainly conceivable that an 13 embedded cost-based price can be lower than a TELRIC-based price. And since embedded cost-based 15 prices are also generally viewed as inside the just 16 and reasonable range, it is not true that a just and 17 reasonable price would necessarily always be above 18 TELRIC.

19 It could be a range of rates in which 20 TELRIC is sometimes near the bottom of that range, the middle of that range, or the high end of the range. It depends on the particular cost circumstances of the 23 assets in question.

You don't have specific Section 271 recommendations at this time, do you?

- 1 I will not until you supply the discovery 2 that you haven't provided. 3
 - What do you need from the -- what do you believe you need from the discovery to provide a specific recommendation?
 - A. The embedded cost information that we requested.
 - Q. Do you --

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- A. Was part of it.
- 10 I'm sorry. Go ahead. The embedded-based Q. 11 cost information?
 - Yeah. It was the discovery questions that you objected to and didn't supply answers to involving the different cost bases for DS1 switching and -- DS1 loops and transport and local switching.
- 16 Q. Do you know when the discovery period ends 17 in the Georgia case? 18
 - A. I think it ends yesterday.
- 19 Do you know what time frame is involved in Q. 20 submitting responses?
 - A. No.
- 22 And is it your testimony that the FCC has 23 explained its just and reasonable pricing methodology?
- 24 Yes and no. It has -- it has directed 25 people to the historic just and reasonable standard

Page 71

that has traditionally applied in this industry.

Well, that's a -- that's a pretty wide range of decisions. But they all, to my knowledge, require that the prices bear some nexus to cost.

In everything that I looked at, in terms of just and reasonable pricing standards, there wasn't necessarily a specific formula per se, but there was always some nexus-backed cost; some cost measure.

- So do you believe that the states have guidance they need to set just and reasonable prices?
- Q. When you talk about a separate, permanent rate investigation, what are you wanting a commission to do?
- What I envision is that you would answer discovery on cost information, we would make a rate proposal, you'd make a rate proposal. The commission would have some sort of proceeding to judge the relative merits of two proposals and render a decision.
- 21 Q. Are you asking that the commission find the 22 transitional rates satisfy the just and reasonable 23 standard?
- 24 Yes. At least on an interim basis until 25 they have the opportunity to do a more thorough

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examination.

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Q. And if the commission did -- made such a finding, the transitional rates could apply after March of next year; correct?

Well, yes. Although I think it would be fair to say that they would be -- they wouldn't be the transitional rates. They would the interim just and reasonable prices.

Q. When do you think such a permanent rate investigation would end?

It might have been able to end in this proceeding had we had the information. Or it could happen relatively quickly. I don't believe -- I don't believe it's the type of investigation that would take considerable time. The inputs are relatively straightforward. Embedded cost information, TELRIC information, whatever you chose to put on, in terms of what your rate proposal would be.

There's a limited number of prices at issue at this point. And I would think that we would be able to do something like that pretty expeditiously.

Q. Do you have any language in your testimony, separate from your exhibit, addressing what needs to be included in the embedded base of customers?

Α. No.

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Why do you think that BellSouth should tell the CLEC what needs to be converted when it comes to Section 251 as opposed to the CLEC identifying to BellSouth those UNEs it wants to convert?

I don't think anyone wants to convert anything; okay? I think it's more a question of your demanding the people to seek alternatives for certain circuits.

As a practical matter, at the end of the day, the CLEC is going to want to verify what you think is out there, and you're going to want to verify what they think is out there. So the question really is: Who should be the first mover on the process?

Since all of the changes, presumably, are more to your benefit, or you wouldn't be asking people to move circuits off of your network or onto some other arrangement, then it seems to be fair that you should have the burden of the first -- first mover of providing the information.

Do you have any language in your testimony that addresses this issue 12 about identifiable orders that are placed but not provisioned?

I'm paraphrasing the issue. But other than your exhibit, do you have any language in your testimony?

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1 I mean, I do address the transition 2 question to place the order, but they have a provision upon which -- that a transition price doesn't apply until the change is effected. But other than that, 5 no.

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- Is it your testimony that there's a requirement that BellSouth be subject to a Section 271 plan; a Section 271 SQM plan?
- A. Is there a requirement in the act? I don't think so. Except your public -- as I understand the 10 11 271 orders, the FCC concluded that the public interest was satisfied because there wouldn't be backsliding. 13 And the backsliding that they concluded wouldn't occur 14 is partially a consequence of these performance 15 penalty plans.

So I believe that basically in effect they adopted a conditional grant that either they have to go back and reexamine whether the public interest will continue to be satisfied in the absence of such a plan, or that you have to keep the plan in place.

I don't think you can unilaterally withdraw out of that performance plan and still remain in compliance with 271.

But obviously a state commission in this O. 25 proceeding could determine that Section 271

paid today, don't you?

A. Well, they have to still fall within the 3 just and reasonable range; yes.

Are you familiar with the FCC's supplemental order clarification?

Supplemental order clarification? Not by A. that --

Q. Not by that name?

9 Α. Are you referring to the special -- the 10 EELS restriction order?

11 Q.

12 A. Okay. Yes. Clearly goes by different 13 names.

14 We use different shorthand. Q. 15 Do you know if the FCC first talked about commingling in that order? 16

> A. They may have.

Q. And when they talked about commingling, they talked about collecting a loop or EEL to tariff access services; right?

I believe so. I mean, that was -- the concern they had then was not really a general commingling obligation that they were investigating. There was a concern about massive or significant substitution of UNEs for special access circuits.

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obligations not be subject to an SQM plan; couldn't they?

A. They could find that.

Just so we're clear, just logically -- and I'm not saying this is where that kind of finding would go -- one could then take that issue up to the FCC in terms of as an enforcement action after a state action, to reimpose it.

- 9 You would agree with me that UNE-P, what we know as the UNE-P, is no longer required under Section 11 251; right?
 - A. Not in a 251; that's correct.
- 13 But you do believe that Section 271 14 offering should be identical to Section 251; is that 15 right?
- 16 Except as the price perhaps. Α.
- 17 Q. And -- but you've also stated that a TELRIC 18 price could meet -- could be the same as a Section 271 19 price; right?
- 20 Well, I think yes. By definition there's a 21 range of just and reasonable rates. And I believe 22 that the TELRIC rate has at least been viewed as 23 sitting inside that range.
- 24 And in fact, you say that Section 271 prices could be just and reasonably close to the rates

Page 77

That was the concern that they were addressing. 2 When -- I want to go to the conversion --

3 issues 15 and 16, which have to do with conversion. You don't have any direct testimony or rebuttal

testimony on those two issues; do you?

A. No.

7 O. And you don't have any direct testimony or rebuttal testimony on the line sharing or the line sharing transition plan; do you?

10 A. Correct, with one exception. My 11 understanding of the principal line sharing dispute between BellSouth and CompSouth goes to whether or not

it's a 271 obligation. So there is some discussion in

rebuttal testimony that Mr. Fogle's testimony doesn't

go to whether or not it's a 271 obligation, and that 16 is the dispute between us.

17 Q. Do you believe that line sharing is a

18 Section 271 obligation?

19 It certainly would seem to be; yes. A.

- 20 What do you base that on?
- 21
- The way -- the way the loop is defined in Section 271 and the treatment of the line sharing as a
- 23 network element in the 271 decisions granting the

24 authority.

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Q. You also don't have direct testimony or

20 (Pages 74 to 77)

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was just a little bit different. The

numbering. So the red line is just a

little bit different for Florida and that

Page 78 Page 80 rebuttal testimony on the line splitting issue; do 1 added a little complication. 2 you? 2 But any way, that's where it's 3 3 A. That is correct. showing up. 4 And you don't have direct testimony or 4 THE WITNESS: Can we go off the Q. 5 rebuttal on subloop concentration? 5 record for a minute? 6 A. That is correct. MS. MAYS: Sure. 7 Do we have a dispute with CompSouth on 7 O. (A recess was taken.) 8 (By Ms. Mays) So that we're clear on the subloop concentration? 9 A. I need to go back and review in more detail 9 record, Mr. Gillan, what I was looking at was JPG1 Ms. Tipton's markup of our language and her rebuttal that I believe you are filing or have filed today. And I'm looking under issue 23 for Greenfield. And 11 testimony. there is a new paragraph under the subsections, your 12 Q. You have not looked at her red line to your 12 13 JPG1? 13 proposed contract language? 14 14 I have not had a chance to review that yet. A. Α. 15 15 Q. Let's talk about --Q. Are we talking about the same thing? 16 16 MS. MAYS: Ten-minute health break? A. 17 (A recess was taken.) 17 Q. And it is your testimony here today that (By Ms. Mays) Mr. Gillan, I wanted to talk the limitation you've proposed in other states would 18 18 to you about issues related to Greenfield, hybrid apply in Georgia as well? 19 20 A. Yes. In fact, I explained the basis for 20 loops and fiber loops? 21 21 the limitation in my Georgia rebuttal. And it wasn't A. Yes. until I wrote the rebuttal to you that I realized that 22 O. You had -- your direct testimony included our own contract language wasn't sufficiently clear on 23 proposed contract language on these issues? 24 24 that point. Yeah. A. 25 25 And when I look at your later contract Q. And just so we're clear, the issue we're Page 81 having is that, if I understand your testimony, you language, it looks like you've added a limitation that believe that a fiber to the home or new fiber to the was not contained in your Georgia exhibit. curb loop, that we must provide you with a DS1 loop, 3 A. Not in the direct. It was included in the even if that's fiber to home loop; did I say that 4 rebuttal. 5 5 In Georgia? -- well, let me state it correctly? Q. 6 6 A. That is correct, because it would be used another way. 7 to serve an enterprise customer. 7 Have you provided a red line version or an update to JPG1 in Georgia? Would you agree that if, for some reason, a Not yet. I told you in the beginning, we 9 residential customer ordered a DS1 loop, that -- and 9 A. 10 it's a Greenfield loop, that we would have no did --10 11 obligation to provide a DS1 loop in that circumstance? 11 MR. MAGNESS: I can tell you from a 12 I'm going to give you a conditional yes, 12 sort of filing technical timing standpoint, subject to checking the order in more detail. But I the revised one was filed in the four 13 13 do believe that every time that the FCC referred to 14 states where direct was due today. the enterprise market, it used the business enterprise MS. MAYS: Right. 15 MR. MAGNESS: A revised version has 16 market as part of the definition. 16 17 So I think that that's an accurate not been filed vet for Georgia. I expect 17 it will be. There was a red line put 18 statement. 18 19 And the dispute we're having, if I 19 together which we'll be getting to your understand it, is one of these disputes where the FCC 20 folks. 20 21 21 has gone in with an errata and stricken the words But one of the issues -- since 22 Florida was in the group today, the issue 22 "residential" from its rules.

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curb orders?

You -- do you understand that the FCC has

issued an errata both to the TRO and the fiber to the

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- Yes. But I was actually thinking of this in terms of the enterprise DS1 business market anyway. And they didn't change the policy with respect to the enterprise market. There was no errata on that issue.
- 5 So you don't believe the erratas have Q. 6 anything to do with our dispute?
- 7 I have not reviewed them with that purpose 8 in mind; no.
- 9 Q. Are you aware that this is one of the 10 issues that's pending in front of the FCC for 11 reconsideration?
 - And/or clarification; yes. A.
- 13 When you refer in your Georgia rebuttal at page 11, and lines two through three, to the packet --14 15 the packet architecture in the TDM network.
- 16 A. Yeah.

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- 17 O. Are you suggesting that BellSouth has an 18 obligation to build TDM capability into a new 19
- packet-based network? 20 No. No. But only that the FCC's
- 21 expectation would be there would be a parallel network
- 22 from which CLECs could still obtain DS1s to reach
- customers. That it wasn't intending to isolate CLEC
- from reaching customers using DS1s except where
- 25 there's findings of the nonimpairment question

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Page 83

- separately addressed.
- 2 You're not suggesting that if -- just to clarify -- if there was never any TDM capability, that BellSouth has to then build TDM capability to serve a CLEC customer; are you?
 - Α. No. No. I don't think so.
- 7 If I move to routine network modification, the dispute we're having is where, for example, BellSouth would not remove certain bridged tap or load coil to long loops for its own customers, the CLECs 11 want BellSouth to be obligated to perform that for 12 them.

Is that a fair assessment of our routine 13 14 network modification?

- 15 A. I think that's the practical part of our 16 disagreement; yes.
- And it's your testimony that if BellSouth 17 would never do that for itself, that doesn't matter? 18
- That's correct. The line conditioning 19 rules requires you to do it whether or not you offer 21 service to that customer or not.
- 22 When you refer to BellSouth's DSL offering 23 as being housed in remote terminals, what do you mean 24 by that?
- 25 A. There was data that was provided in the

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context of your Fast Access product and whether or not it should be -- you should continue to offer Fast Access to customers who have chosen a UNE-P CLEC.

My recollection was that a substantial portion of BellSouth's deployment of its DSLAMs were in remote terminals and not in a central office. That you had done that to shorten loop places to reach customers.

- 9 Turning to the EELs audit issue, we don't O. 10 disagree that BellSouth has a right to audit; do we?
- 11 Well, I think there's a -- not in a stark 12 sense. But there's a dispute as to whether or not you
- 13 have a right to audit no matter what, or if you only
- have the right to audit with good cause shown. I 15 think that's the dispute basically.
- 16 And what do you believe BellSouth has to 17 show to have the right to audit?
- 18 Well, the testimony outlines really
- 19 basically that you have to identify the basis for your
- 20 belief that there's something that needs to be 21 audited.
- 22 You also suggest that the auditor needs to
- 23 be agreed upon by BellSouth and the CLEC? 24
 - Α. Yes.
 - You don't believe that BellSouth could just

Page 85

- hire an auditor and let the CLEC deal with any objections as to independence in the course of any 3 dispute resolution?
 - That's not our position. I think that the reality is that it would be simpler if BellSouth and the CLEC could agree on the front end.
- 7 Q. Do you think that BellSouth and the CLECs 8 can agree on the front end?
 - Yes.
- 10 When you turn to the issue 30 -- one of
- your CompSouth members, Nuvox and BellSouth have had 11
- some disputes about auditing; are you familiar with 13 those disputes?
 - Not with any specifics; no. A.
 - When -- on issue 30 and the entire
- 16 agreement, in your rebuttal testimony, you've taken
- 17 issue with the words "deemed amended," if I understand
- 18 it.
- 19 A. Yes.
- 20 O. If you were to accept subject to check that
- the words "deemed amended" were corrected to 21
- 22 "modified," would we have a dispute on that issue?
- 23 I don't understand that question. Say that A. 24 again.
- 25 Q. If I were to -- if Ms. Blake corrects that

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testimony, and she corrects it so that the words 2

- "deemed amended" are replaced by "modified" so that --
 - I think the problem is "deemed."
- Right.

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What you're stating is simply that we need to enter into amendments that include language about the Entire Agreement Rule; correct?

- Yes. The Entire Agreement Rule is where I illustrate the point. Because I think the only place you use the words "deemed amended," the concern we have is this ability to have a -- the contract changed without half of the party being involved in that process.
- 14 The ability to change it without an Q. 15 amendment?
- 16 Α. Correct.
- 17 And if it is BellSouth's position that it O. 18 wants its interconnection agreements amended to includes language, the actual language that effectuates the Entire Agreement Rule, it's not your 21 testimony that CompSouth doesn't want to sign such an 22 amendment?
- 23 That is correct. Subject, of course, to A. 24 the fact that that rule itself is on appeal. It's not an embracement of the rule.

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- Okay. With respect --
- A. But I don't want to give the impression that I'm necessarily saying that CompSouth would agree to the language change that you're proposing. I'll take that back to the group.
- Q. Have you proposed any language on that issue? It's issue 30, I believe.
- No. I don't believe that's in our -- in our proposal. The language on the all or nothing rule. Not how does it end up in the agreement.
- 11 The language that you have attached to your 12 direct testimony, JPG1, how did you develop that 13 language?
- 14 A. It was the product of -- I don't want to 15 say "committee" because that sounds too formal. But 16 there were the attorneys from the different companies, 17 Mr. Magness and others, worked on attempting to put 18 together contract language that would affect the 19 recommendations of the testimony.
- 20 Are you aware of CompSouth or any of its 21 members proposing the language that you attach as JPG1 22 prior to the time you filed testimony?
- 23 A. My understanding -- and -- is that the 24 basic form of most of this language was presented from talk at one point. And then over time, as it

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incorporated revisions from different members of CompSouth, that it basically represents contract language that one or more members of CompSouth have presented to BellSouth at one time or another.

But it -- I can't trace for you this provision was presented by this carrier, because it was a -- it was a more cooperative effort than that. And I can't represent to you with certainty that every provision was presented in that way.

But that's my -- given the way the document evolved, that's my understanding of its background with BellSouth.

- 13 So the actual language that you attached to 14 your testimony, in its entirety, is it fair to say that BellSouth saw it for the first time with your direct testimony?
- 17 No. Actually, I think -- I tried to 18 explain it the opposite. That language, while maybe not in that form, was presented to BellSouth by different carriers in -- over the past several months. Every provision not necessarily organized in this way. But these things weren't -- these things came from 23 other people who were also negotiating with BellSouth.

You know, there's a problem here in that frequently when people were talking about a different

issue, my understanding of the agreements that the carriers signed when they initiated negotiations with you is that they're not really free to openly provide the output of their negotiations with you to other carriers.

And so people try to walk a very fine line between providing input but without trying to disclose perhaps what your position was on various language proposals.

But no, I do not believe that this is something new to you in its entirety at all.

- 12 Do you have any idea of when the piece 13 parts of this were presented to BellSouth by CompSouth's members? 14
 - A. No. That I cannot do.
- And you don't know whether individual 16 pieces of it have been resolved as to one particular CompSouth member in BellSouth either?
 - That's correct. Because of the fact that people couldn't straightforwardly communicate portions that had been admitted.

MS. MAYS: All right. Thank you, Mr. Gillan. We're done.

(Deposition concluded at 4:07 p.m.)

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1	STATE OF GEORGIA:	
2	COUNTY OF FULTON:	
3	I hereby certify that the foregoing	
4	transcript was reported, as stated in the	
5	caption, and the questions and answers	
6	thereto were reduced to typewriting under my	
7	direction; that the foregoing pages represent	
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9	the evidence given upon said hearing, and I	
10	further certify that I am not of kin or	
11	counsel to the parties in the case; am not	
12	in the employ of counsel for any of said	
13	parties; nor am I in any way interested in	
14	the result of said case.	
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	Page 91	
1 _		
1	Disclosure Pursuant to Article	
2	8(B) of the Rules and Regulations of the	
3	Board of Court Reporting of the Judicial	
5	Council of Georgia, I make the following disclosure:	
6	I am a Georgia Certified Court	
7	Reporter, here as a representative of	
8	Alexander Gallo & Associates, Inc., to report	
9	the foregoing matter. Alexander Gallo &	
10	Associates, Inc., is not taking this	
11	deposition under any contract that is	
12	prohibited by O.C.G.A. 5-14-37 (a) and (b).	
13	Alexander Gallo & Associates,	Secretary Control of the Control of
14	Inc., will be charging its usual and	
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STATE OF SOUTH CAROLINA)	
)	CERTIFICATE OF SERVICE
COUNTY OF RICHLAND)	

The undersigned, Nyla M. Laney, hereby certifies that she is employed by the Legal Department for BellSouth Telecommunications, Inc. ("BellSouth") and that she has caused BellSouth Telecommunications, Inc.'s Motion to Admit Deposition Into Record in Docket No. 2004-316-C to be served upon the following this November 15, 2005.

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